



2004 Acquisition Senior Leaders' Conference

SES Issues



“HRMD—Quality, Service and Commitment”¹

Agenda

- ❖ Introduction
- ❖ Information on new provisions affecting SES members
- ❖ Information on the 2003/2004 Performance Review Board process



Army-wide SES Offices

- ❖ **STAFF – *Senior Executive Service Office***
Office, Assistant Secretary of the Army
(Manpower and Reserve Affairs),
- ❖ **OPERATIONS – *Executive Services Division***
Office, Administrative Assistant to the
Secretary of the Army
U.S. Army Resources & Programs Agency
Human Resource Management Directorate



SES Staff Office Functions

- ❖ Allocation & approval of resources (faces-to-spaces & classification)
- ❖ Career development and succession planning
- ❖ Management of corporate talent pool (GO/SES Interchangeability)
- ❖ Oversight and technical evaluation of operations and support
- ❖ Policy development
- ❖ Program effectiveness and improvements



SES Operations Office Functions

- ❖ Classification support, including preparation of evaluation statements
- ❖ Staffing, paysetting & pay administration
- ❖ Advisory services for executive actions, including benefits and entitlements (*Work with org liaison offices*)
- ❖ Process personnel actions, including regulatory review and database management
- ❖ Productivity management and data entry
- ❖ Administration of Performance Review & Presidential Rank Review Boards



SES Emerging Issues

- ❖ Significant changes in performance management and pay in 2002 & 2003
- ❖ Premise: Higher performance = higher pay
 - Greater Pay Range (Base & Aggregate)
 - Higher individual Base Pay Levels
 - Locality, Across-the-Board Adjustments Eliminated



Conversion to the New SES Pay Range

- ❖ **Conversion Date:** 11 January 2004
- ❖ **Conversion Rate:** Basic pay plus locality pay in effect on 10 January 2004
- ❖ For the 12-month period following 11 January 2004, agencies may not reduce an SES member's basic rate plus locality pay in effect on 24 November 2003.



Guidance on SES Pay Adjustments After Conversion

- ❖ Agencies may adjust an SES member's basic pay after 11 Jan 04 conversion by any amount up to EX-III when—
 - The SES member's performance or contributions so warrant, and
 - The SES member is otherwise eligible.
- ❖ Limited to one pay adjustment every 12 months, with certain exceptions



SES Pay Adjustments After Conversion – DOD Implementation

- ❖ SES members are eligible to receive a pay adjustment equivalent to the 2004 Economic Cost Index (ECI) increase, if--
 - Ratings fully successful, or above, at the last rating period; or
 - Have not received an increase in basic pay during the period 12 Jan 03 through 10 Jan 04, unless the increase in basic pay resulted in a zero adjustment in basic pay



New SES Pay/Performance System

Single “Payband” of Minimum/Maximum Rates

Certified

\$203,000

\$158,100

\$104,927

EX-III

EX-II

EX-I

\$145,600

\$175,700

Non-Certified

The Foundation for a “Modern” SES Compensation System



New Post-Employment Restrictions

- ❖ New salary-based “trigger” effective 11 Jan 04 (for most employees)
- ❖ Any employee whose basic rate equals or exceeds 86.5% of EX-II (\$136,757 in 2004) will be subject to post-employment restrictions
- ❖ Exceptions are provided in statute
- ❖ General Counsel can provide specific interpretation



DOD Guidance for 2003-2004 Rating Cycle

- ❖ Agencies may adjust an SES member's basic pay by any amount up to EX-III. However, —
 - All executives cannot be paid at the maximum
 - Amount paid for all increases should not exceed 50% of the amount paid if all eligible executives received a 3% pay increase, and
 - Limited to one pay adjustment every 12 months, with certain exceptions



DOD Guidance--Cont'd

(Criteria for Basic Pay Increase)

- ❖ Evaluate executive accomplishments against:
 - Performance plan
 - President's Management Agenda
 - Government Performance & Results Act goals
 - Defense Planning Guidance, and
 - Organization mission and strategic goals
- ❖ SES members capped should have performance documented in anticipation of certification of new DOD system



DOD Guidance--Cont'd

(Additional Information)

- ❖ Previous component bonus nomination and limits apply for this rating cycle
- ❖ DOD's goal is to obtain provisional certification valid for one year with all components included and pursue full certification following the 2004/2005 performance cycle
- ❖ OPM issued proposed rules for comment on 28 Jul 04 on SES Pay and Performance



2003/2004 Rating Cycle Action Items

- ❖ Prepare evaluations (DA 7222) and submit by suspense date (o/a 31 Oct 04)
 - Elaborate on significance of accomplishments
 - Articulate the impact/value of contributions to organization and/or Army
 - Link accomplishments to the Scorecard/PMA/Agency goals
 - Clear, specific language
 - Limit use of acronyms



2003/2004 Rating Cycle Action Items (Cont'd)

- ❖ Prepare evaluations (DA 7222)
(Cont'd)
 - Adhere to guidance provided to ensure fairness of process (suspense dates & number of continuation pages)
 - Provide handwritten comments which provide invaluable information to PRB and should distinguish between multiple Ratees



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SES Performance Review Board

Background Information



SES Member Responsibilities

- ❖ Participate in the development of performance objectives and professional development goals
- ❖ Advise supervisory officials of the need to revise performance objectives
- ❖ Provide timely feedback on accomplishments for the evaluation



Rater Responsibilities

- ❖ Develop performance plans for SES members
- ❖ Prepare periodic evaluations as prescribed by regulation
- ❖ Revise performance requirements as needed



Intermediate Rater Responsibilities

- ❖ Review and recommend approval of performance plans (or revised plans) at the beginning or during the rating period.
- ❖ Review evaluations and provide input timely, either concurring with proposed rating or seeking resolution of the disagreement with the Rater



Higher Level Review Executive Responsibilities

- ❖ Review performance evaluation and request from SES member
- ❖ Assess Ratee's achievements in relation to performance requirements
- ❖ Provide findings and recommendations to the Ratee, Rater and Performance Review Board



Army Performance Review Boards

- ❖ Office, Secretary of the Army
- ❖ Office, Chief of Staff of the Army
- ❖ The Surgeon General
- ❖ Consolidated Commands
- ❖ Army Acquisition Executive
- ❖ North Atlantic Treaty Organization
- ❖ Army Materiel Command
- ❖ Corps of Engineers



Performance Review Board Membership

- ❖ 3+ Members appointed by the Convening Authority
- ❖ Assure consistency, stability & objectivity (i.e., Diversity-gender, race, experience, status)
- ❖ Suggested: S1 rating, knowledge of agency appraisal system & SES or equivalent
- ❖ More than 50% must be Career SES
- ❖ Must be published in Federal Register



Performance Review Board Responsibilities

- ❖ Review Rater's/Intermediate Rater's recommendations
- ❖ Make *recommendations* to Senior Rater on:
 - ❖ Rating Level
 - ❖ Pay Adjustment
 - ❖ Bonuses



PRB Process

- ❖ Convening Authority and Chairperson provide guidance to Board members
- ❖ Board members are assigned files for independent review
- ❖ Each member voted on each file
- ❖ Votes are tallied and checked
- ❖ Disparities in ratings are reviewed



PRB Process (Continued)

- ❖ Order of Merit List (OML) developed with Rating/Bonus/Pay Adj Recommendations
- ❖ After Action Report Approved
- ❖ Senior Raters Make Decisions
- ❖ Info Provided to ASA(M&RA)
- ❖ SA Approval
- ❖ Finalize Bonus, Pay Adj & Ratings



Sample Order of Merit List (OML) with Bonus Recommendations

1.	5.667	20.00%	8.	26.143	15.25%	16.	38.111	13.25%	29.	54.889	0%
			9.	27.333	15.25%	17.	38.667	13.25%	30.	56.222	0%
2.	9.111	19.75%				18.	39.778	13.25%	31.	57.556	0%
3.	10.667	19.75%	10.	29.667	14.75%	19.	40.000	13.25%	32.	58.778	0%
						20.	41.429	13.25%	33.	59.222	0%
4.	13.500	18.75%	11.	31.333	14.25%	21.	41.444	13.25%	34.	59.889	0%
			12.	32.111	14.25%	22.	42.222	13.25%	35.	61.111	0%
5.	15.222	18.25%	13.	33.500	14.25%	23.	42.333	13.25%	36.	63.556	0%
			14.	34.111	14.25%	24.	43.111	13.25%	37.	66.667	0%
6.	19.444	17.25%	15.	35.222	14.25%				38.	67.111	0%
7.	19.875	17.25%				25.	46.444	12.50%	39.	71.375	0%
						26.	47.889	12.50%	40.	78.286	0%
						27.	49.125	12.50%	41.	82.100	0%
						28.	49.778	12.50%			



Identified Problems with Submissions

- ❖ Support and evaluations forms not complete and submitted by suspense date
- ❖ Forms not properly authenticated
 - Ratee/Rater/Int. Rater/Sr. Rater initials
 - Ratee/Rater/Int. Rater signatures
- ❖ Objectives not rated



Identified Problems (Continued)

- ❖ Failure to adhere to guidance
 - Font size too small
 - Number of objectives excessive
 - Number of continuation pages excessive
- ❖ Lack of quality in evaluation packages which disadvantages SES members in competition



Identified Problems (Continued)

- ❖ Failure to link performance plans to:
 - Management Scorecard
 - President's Management Agenda (PMA)
 - ✓ Strategic Management of Human Capital
 - ✓ Competitive Sourcing
 - ✓ Improved Financial Performance
 - ✓ Expanded Electronic Government
 - ✓ Budget and Performance Integration
 - Secretary of Defense and Army Goals



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